

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**SB 329 - HB 597**

March 20, 2017

**SUMMARY OF BILL:** Establishes that an individual who holds a master's degree in engineering from an institution which holds satisfactory standing with the Board of Architectural and Engineering Examiners (BAEE), with four years or more of progressive experience on engineering projects which indicates to the BAEE that such applicant is competent to practice engineering, and who has obtained certification as an engineer intern, shall be permitted to a minimum eight-hour examination prepared by the National Council of Examiners for Engineering and Surveying (NCEES), on the principles and practice of engineering. Upon passage of such examination, such individual shall be granted a certificate of registration to practice engineering in this state, provided the applicant is otherwise qualified. An effective date of July 1, 2017.

**ESTIMATED FISCAL IMPACT:**

**Increase State Revenue –**

**\$300/FY17-18/Board of Architectural & Engineering Examiners**

**\$500/FY18-19 and Subsequent Years/Board of Architectural &  
Engineering Examiners**

**Pursuant to Tenn. Code Ann. § 4-29-121, all regulatory boards are required to be self-supporting over any two-year period. The BAEE experienced a surplus of \$300,561 in FY14-15, a surplus of \$138,140 in FY15-16, and a cumulative reserve balance of \$1,651,702 on June 30, 2016.**

**Assumptions:**

- Currently, pursuant to Tenn. Code Ann. § 62-2-401(a)(1)-(2), an individual is qualified to practice engineering by following either of the two following paths:
  - Graduate from a BAEE-approved engineering curriculum of 4 years or more, have 4 or more years of experience on engineering projects which indicate competence in engineering, obtain certification as an engineering intern, and pass an examination prepared by NCEES; or
  - Graduate from an engineering curriculum of 4 years or more, have 12 or more years of experience on engineering projects which indicate competence in engineering, and pass an examination prepared by NCEES.

- This legislation will effectively allow an individual, who has not obtained a bachelor's degree in engineering, but has obtained a master's degree in engineering, to practice engineering upon successful completion of the requirements enumerated in the legislation.
- This legislation is estimated to result in an increase in the number of engineering intern certifications and engineering certifications issued by the BAEE
- Passage of this legislation is assumed to result in one additional engineering intern certification and one additional engineering certification being issued by BAEE in each grand division of the state, for a total of three additional intern certifications and three additional engineering certifications statewide each year.
- Pursuant to the BAEE rule 0120-01-.06, in order for an individual to attain a certification as an engineer intern, such individual must submit an application for certification accompanied by a nonrefundable fee of \$15 and successfully pass the required examination administered by the NCEES. Therefore, an increase in state revenue to the BAEE of \$45 (3 additional engineering interns x \$15) in FY17-18.
- Pursuant to the BAEE rule 0120-01-.05(1)-(2), a \$30 application fee and \$140 initial and biennial renewal certification must accompany applications for certification as an engineer. Therefore, an increase in state revenue to the BAEE of \$255  $\{[(\$140 + \$30) \times 3] / 2\text{-years}\}$  in FY17-18.
- The total increase in state revenue to the BAEE in FY17-18 is estimated to be \$300 (\$45 from interns + \$255 from engineers).
- The total increase in state revenue to the BAEE in FY18-19 and subsequent years is estimated to be \$510  $\{ \$45 + \$255 \text{ both from new FY18-19 applicants} + [(\$140 \times 3) / 2\text{-years}] \text{ from FY17-18 applicants} \}$ .
- Beginning in FY19-20, the number of additional certificates issued by BAEE, as a result of this legislation, as well as the applicable fee revenue, will remain constant.
- Pursuant to Tenn. Code Ann. § 4-29-121, all regulatory boards are required to be self-supporting over any two-year period. The BAEE experienced a surplus of \$300,561 in FY14-15, a surplus of \$138,140 in FY15-16, and a cumulative reserve balance of \$1,651,702 on June 30, 2016.

## **IMPACT TO COMMERCE:**

### **NOT SIGNIFICANT**

#### **Assumptions:**

- This legislation will provide an alternative path for certain individuals to become certified as either an engineer intern or an engineer.
- Any impact to commerce or jobs in this state as a result of this legislation is estimated to be not significant.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/jdb